



City Employee Compensation Analysis

Calendar Years 2010 and 2011

**Compensation Analysis Shows
Increase in Six-Figure Salaries and
Spike in Overtime Costs**

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**A Report by
The Office of Councilmember Carl DeMaio
(District 5)**

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Top 30 Payouts – City of San Diego CY 2011

	Job Title	2011 Wages
1	Chief Operating Officer	\$262,024
2	Independent Budget Analyst	\$220,765
3	Chief Financial Officer	\$216,840
4	Assistant Chief Operating Officer	\$203,677
5	Police Chief	\$198,911
6	City Attorney	\$198,148
7	Fire Battalion Chief	\$197,762
8	Retirement General Counsel	\$194,959
9	Retirement Administrator	\$187,102
10	Fire Captain	\$184,566
11	Personnel Director	\$180,925
12	Fire Captain	\$180,609
13	Fire Captain	\$178,624
14	Assistant Retirement Administrator	\$178,175
15	Executive Assistant Police Chief	\$177,935
16	Investment Officer	\$176,128
17	Fire Captain	\$175,154
18	Public Utilities Director	\$175,110
19	Fire Captain	\$174,103
20	Deputy Fire Chief	\$173,285
21	City Auditor	\$170,364
22	Fire Battalion Chief	\$170,117
23	Fire Chief	\$168,797
24	Fire Battalion Chief	\$167,851
25	Police Sergeant	\$167,808
26	Police Captain	\$167,780
27	Fire Battalion Chief	\$166,477
28	Fire Captain	\$166,125
29	Department Director	\$165,806
30	Assistant City Attorney	\$165,092

Key Findings

Finding 1 – \$16.5 Million Spike in Fire Department Overtime

On February 23, 2012 the city released its mid-year budget monitoring report. This report shows four city departments over budget due to higher-than-anticipated personnel costs. According to the report, the highest overages are a result of overtime expenses in the Fire-Rescue Department. As the report explained:

*“\$4.8 million of the projected overage is in salaries and fringe, primarily in the Fire-Rescue, Police, Park and Recreation, and Public Works–Engineering and Capital Projects Departments... The Fire-Rescue Department is projected to exceed their salaries and wages budget by \$5.6 million or 5 percent. **Most of this deficit is the result of increased overtime expenditures** to maintain constant staffing and an increase in the use of leave and vacant positions in the department.”¹*

Fire Department Overtime is Spiking in FY12

Despite seeing an additional \$11.7 million budgeted in overtime in FY12 (due to the end of the city’s “brown-out” policy), the Fire-Rescue Department is anticipated to be **\$4.8 million over budget** in overtime and related personnel expenses in FY12.

“The Fire-Rescue Department is projected to be \$5.8 million, or 3 percent, over budget at year end. This is primarily due to \$4.8 million in over budget personnel expenditures from increased overtime, payouts of annual leave, termination pay, hourly wages and special pays which are partially offset by savings from vacant positions and reduced fringe costs.”

Spike in Fire Department Overtime	
Budget Increase (FY11 to FY12)	\$ 11.7 million
FY12 Projected Overage	\$ 4.8 million
Total Spike	\$16.5 million

¹ Fiscal Year 2012 Mid-Year Budget Monitoring Report. City of San Diego – Financial Management Department. Page 14. February 23, 2012.

Overtime Surged from 6% of Total Fire Department Salaries & Wages to 21% of Salaries & Wages

In the last year, overtime costs have surged from 6% of total salaries and wages in the Fire Department (FY11), to 21% of salaries & wages paid out this year (FY12).

FY11 Fire Department Overtime Expenditures		FY12 Fire Department Overtime Expenditures	
FY11 Overtime Budgeted - General Fund	\$5,276,707	FY2012 Overtime Budgeted - General Fund	\$16,996,019
FY11 Overtime Budgeted - Fire/EMS Transport Program Fund	\$775,102	FY12 Overtime Budgeted - Fire/EMS Transport Program Fund	\$439,002
Total FY11 Overtime Budgeted	\$6,051,809	Total FY12 Overtime Budgeted	\$17,435,021
Projected Overtime Overage	-	Projected Overtime Overage	\$4,800,000
FY11 Total Overtime	\$6,051,809	FY12 Total Overtime	\$22,235,021
FY11 Salaries & Wages - General Fund	\$91,771,528	FY12 Salaries & Wages - General Fund	\$104,819,583
FY11 Salaries & Wages - Fire/EMS Transport Program Fund	\$2,063,553	FY12 Salaries & Wages - Fire/EMS Transport Program Fund	\$2,704,901
Total FY 11 Salaries & Wages	\$93,835,081	Total FY 11 Salaries & Wages	\$107,524,484
FY11 Overtime as a Percentage of Salaries & Wages	6%	FY12 Overtime as a Percentage of Salaries & Wages	21%

When the city's fire station brown-outs were restored last year, it was argued that it was cheaper to restore the station to full staffing with the use of overtime than it was to hire new Fire Department employees. This argument displays why current employee compensation models at the city must be reformed.

Rather than supporting the use of overtime to accomplish the restoration of last year's brown-outs, Councilmember DeMaio instead proposed the use of alternative staffing models to restore service.

Average Full-Time Fire Department Employee Pay is \$17,096 Higher Than Average Maximum Budgeted Salary

The average Fire-Rescue Department employee made \$8,137 more in CY11 than the highest budgeted salary for their position. When you look at full-time employees alone, the average Fire-Rescue Department employee makes \$17,096 more than the highest budgeted salary for their position.

Despite multiple requests for specific overtime data, the city has yet to provide it. Therefore, we are left to assume that these wages above-and-beyond maximum salaries are largely the result of overtime and specialty pay.

Employee	Average Highest Salary Budgeted	Average Total Compensation	Amount Above Highest Budgeted Salary
All Fire-Rescue	\$65,817	\$73,954	\$8,137
Full-Time Fire-Rescue (Employees Enrolled in Pension System)	\$71,734	\$88,830	\$17,096

Finding 2 – Membership in the \$100,000 Club Increased by 9% in the Last Year and Has Increased 55% in the Last 5 Years

112 new individuals made \$100,000 or more in the last year, which is a 9% increase over the previous year. There are now 1,359 city employees making six-figures.

Calendar Year	Employees Making Over \$100,000	Percent Change
2007	874	-
2008	1,255	44%
2009	1,265	1%
2010	1,247	-1%
2011	1,359	9%

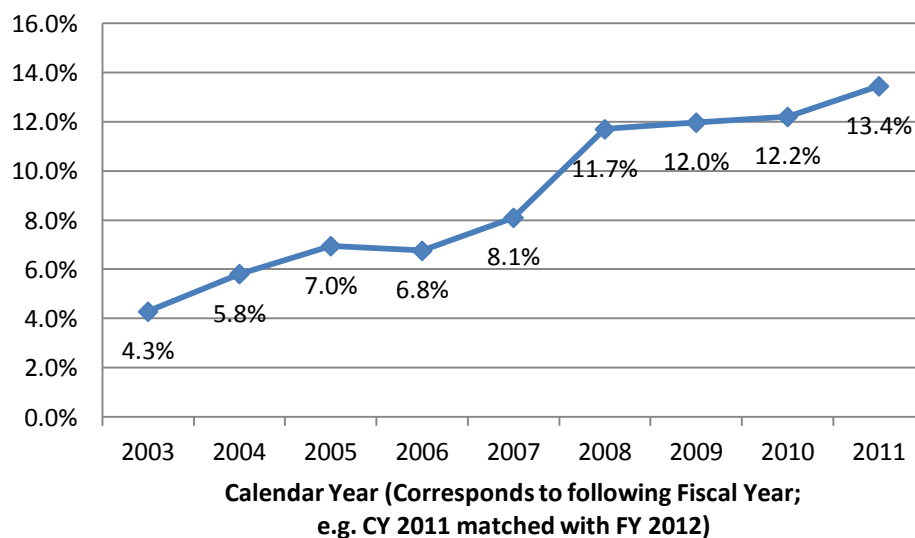
The number of city employees in the \$100,000 club has **increased 55%** in the last five years.

Finding 3 – Membership in the \$100,000 Club is an Increasing Percentage of Total City Employees

Measured as a percentage of total budgeted positions over time, membership in the \$100,000 Club has also increased each of the last 9 years. This trend has stayed constant even as total budgeted positions have been cut over the last 5 years.

Calendar Year	Fiscal Year	Citywide Annually Budgeted FTEs	Number of 100K Members	% Change	100K Club as % of Budgeted FTEs
2003	2004	11,269	483	-	4.29%
2004	2005	11,071	644	33%	5.82%
2005	2006	10,834	753	17%	6.95%
2006	2007	11,391	770	2%	6.76%
2007	2008	10,787	874	14%	8.10%
2008	2009	10,729	1,255	44%	11.70%
2009	2010	10,572	1,265	1%	11.97%
2010	2011	10,222	1,247	-1%	12.20%
2011	2012	10,108	1,359	9%	13.44%

100K Club as % of Budgeted FTEs



Finding 4 – Despite a 3% Reduction in FTEs, Employee Costs Increased \$23 Million in One Year

Of the city's total \$2.8 billion budget, employee costs are \$1.09 billion (39%).

Despite a net reduction of 350 FTE budgeted positions from FY11 (a 3.3% reduction in budgeted positions, not actual employees), **personnel costs increased by almost \$23 million in the last year.**

Personnel Costs	
\$1,070,322,299	FY2011
\$1,093,247,612	FY2012
\$22,925,313	Change
2.1%	Percent Change from FY11

Additionally, while the city's total budget increased by 1.4% in the last year, the personnel budget increased 2.1%. When you add in the additional over-budget overtime detailed in the mid-year budget report, personnel costs increased 2.6%.

Personnel Costs		Total Budget
\$1,070,322,299	FY2011	\$2,756,272,296
\$1,093,247,612	FY2012	\$2,795,322,762
\$22,925,313	Change	\$39,050,466
2.1%	Percent Change from FY11	1.4%

With FY12 overages included:

Personnel Costs		Total Budget
\$1,070,322,299	FY2011	\$2,756,272,296
\$1,098,055,775	FY2012	\$2,798,991,230
\$27,733,476	Change	\$42,718,934
2.6%	Percent Change from FY11	1.5%